

Utah's Defense Economy: Economic Impacts and Industry Trends

September 27, 2021



INFORMED DECISIONS™

Measuring Economic Impacts

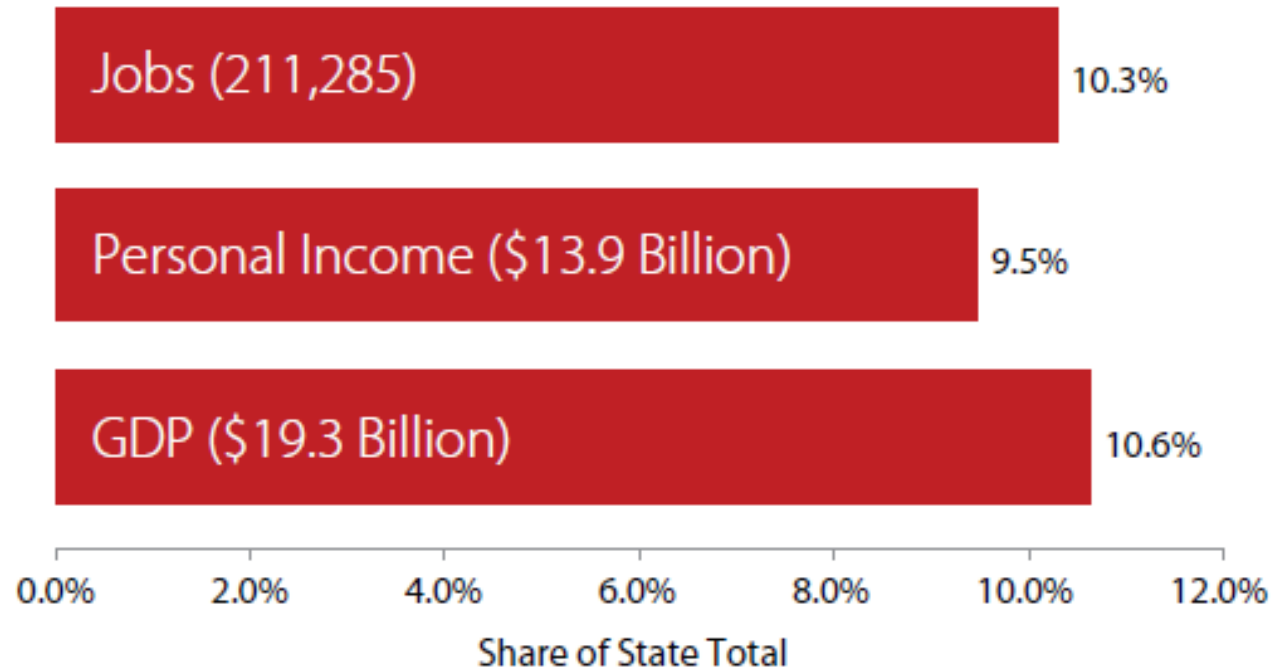


Defense Sector Economic Impact Summary, 2019

One in Ten Utah Jobs
(10.3% of employment)

In term of magnitude,
retail trade had 217,000
jobs in 2019.

Total impacts have
increased **nearly twofold**
since 2015.

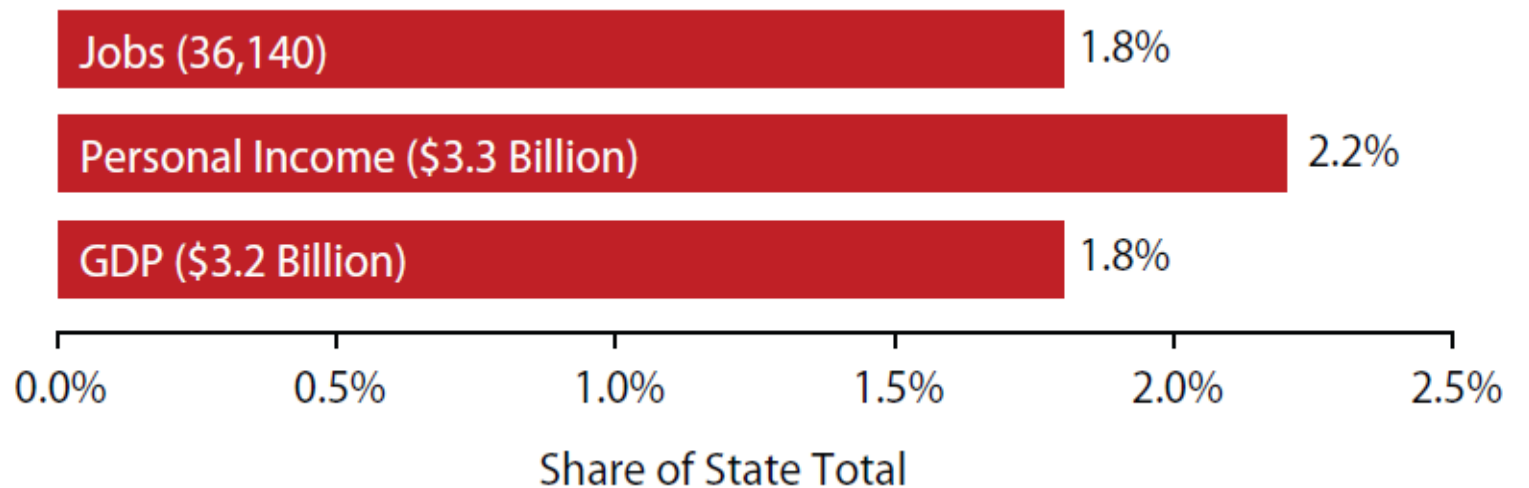


Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model

Veterans Services Economic Impact Summary, 2019

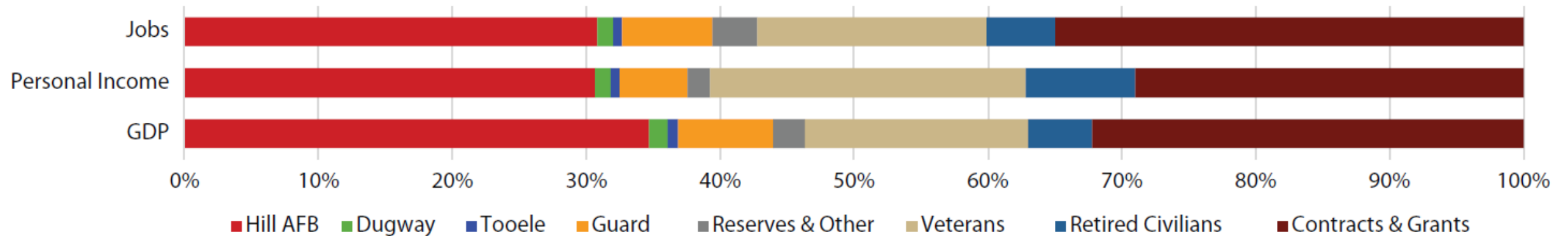
VA employment grew by 32% and compensation grew by 34% since FY 2015.

Veteran services supported about 2% of Utah's economy.



Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model

Defense Share of Economic Impacts, 2019



Shares:

Contracts & Grants = 32%-35%

Hill AFB = 31%-35%

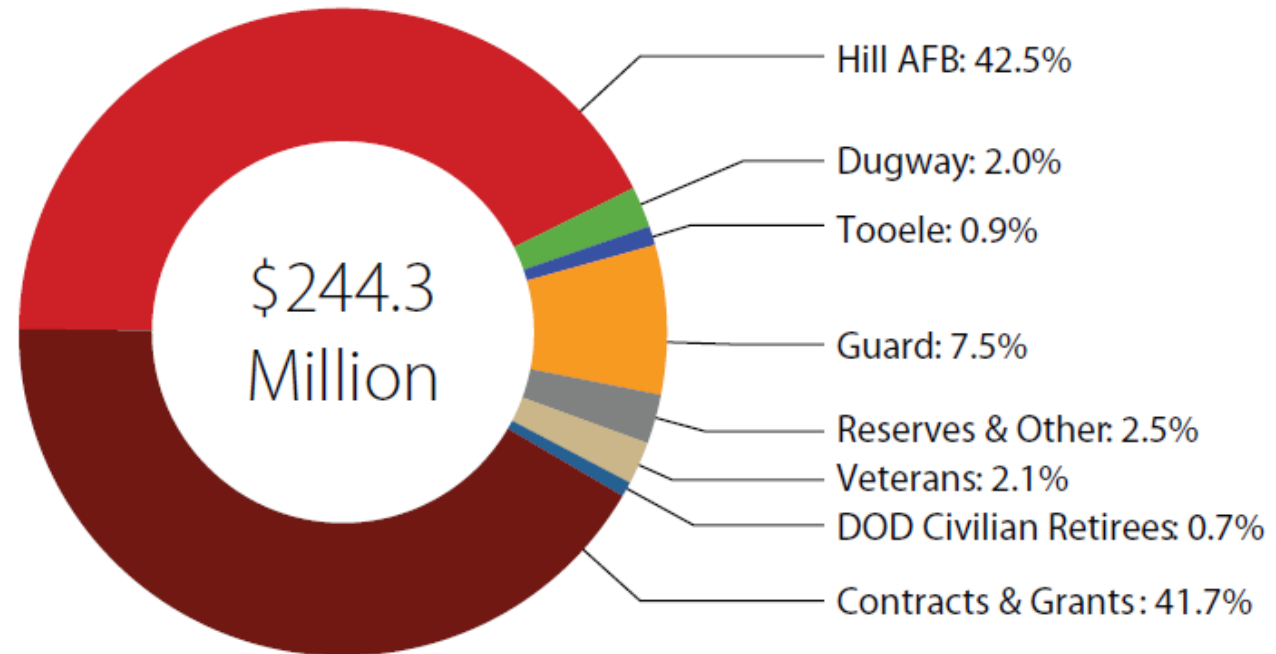
Veterans = 17%-24%

All Other = 16%-17%

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model

Statewide Fiscal Impacts of Utah's Defense Sector, 2019

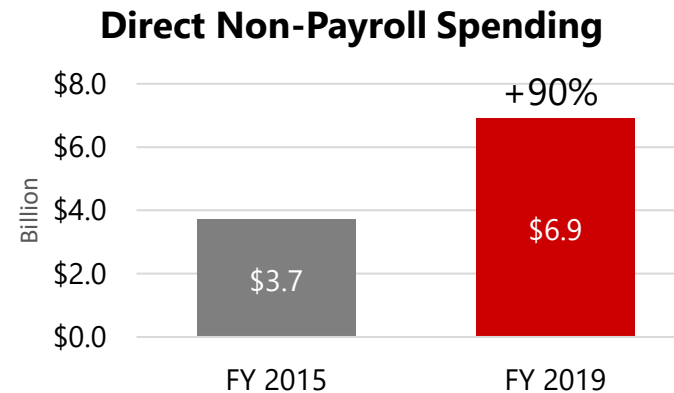
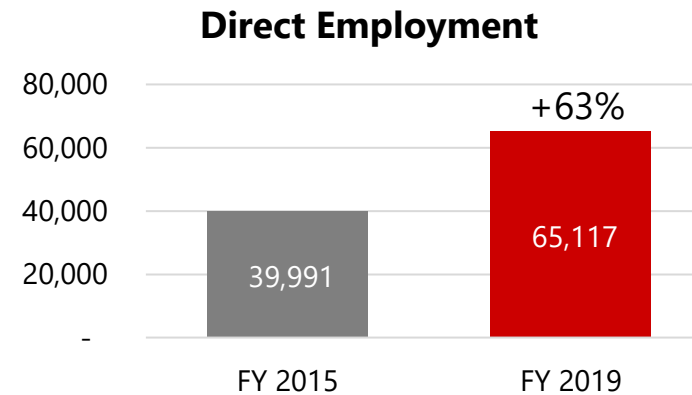
Utah's defense industry generated **\$244.3 million in tax revenue** for state and local governments during 2019



Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model and the Gardner Policy Institute fiscal model

Growth From 2015

1. Contracts & Grants employment and spending **increased by 460% and 250%**, respectively.
2. Increased Veteran and Hill AFB employment and spending
3. Addition of DOD retired civilians increased spending by \$609 million in pension payments.

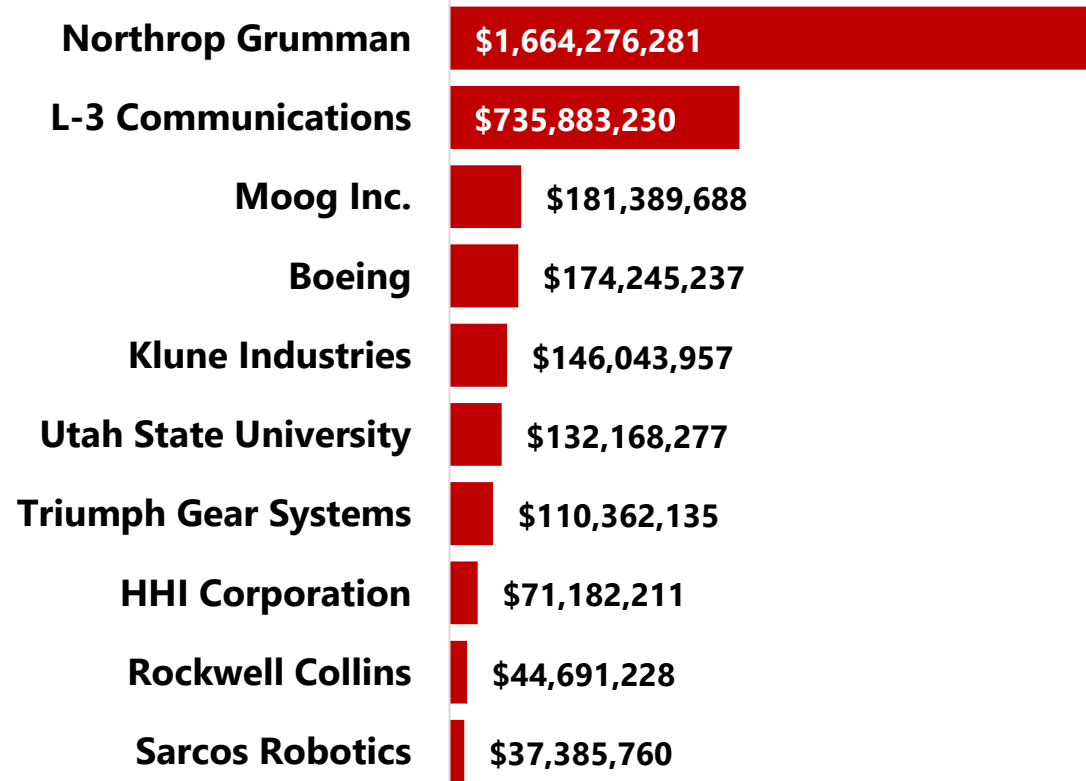


* All FY 2015 spending has been inflation adjusted to FY 2019 dollars.

Source: Kem C. Gardner Policy Institute analysis of data from various installations, federal agencies, and USASpending.gov

Top 10 Defense Contractors in Utah, FY 2019

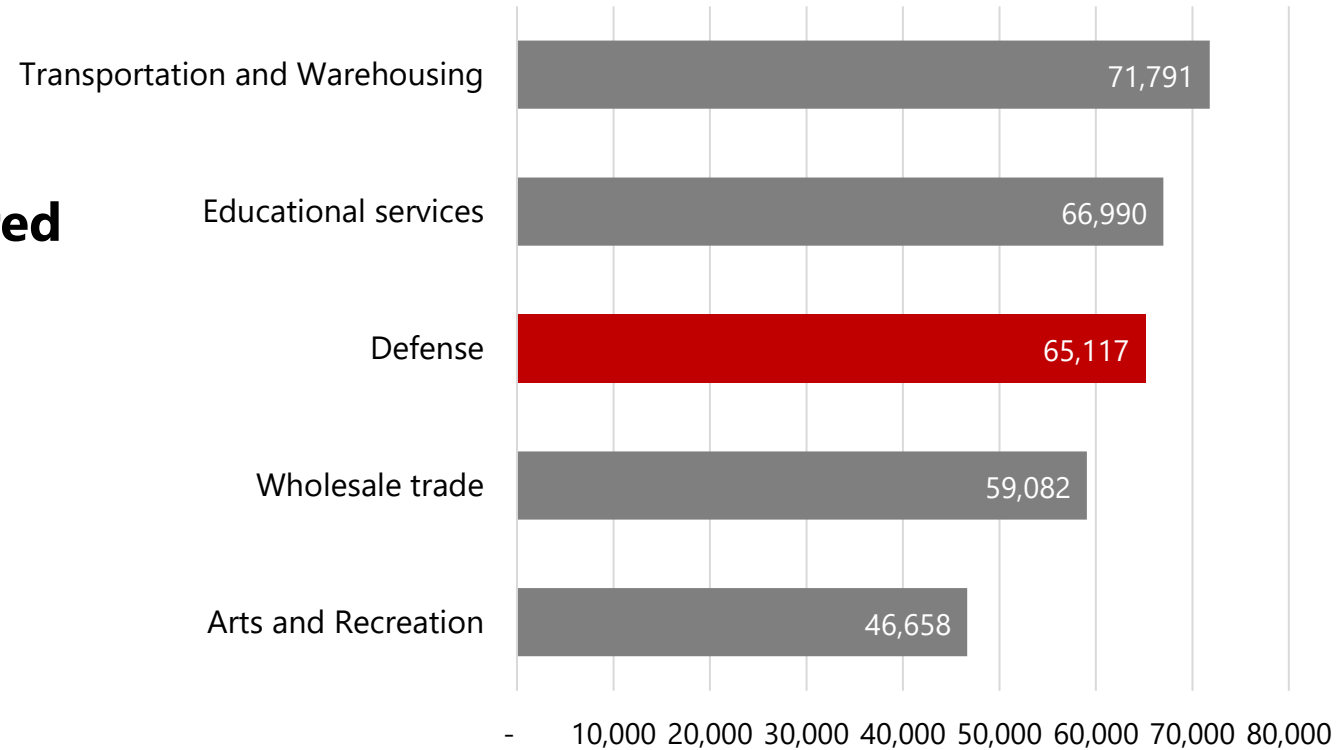
Of the \$4.3 billion in defense contracts in Utah, **\$3.3 billion (76%)** went to 10 contractors.



Source: Kem C. Gardner Policy Institute analysis of data from USASpending.gov

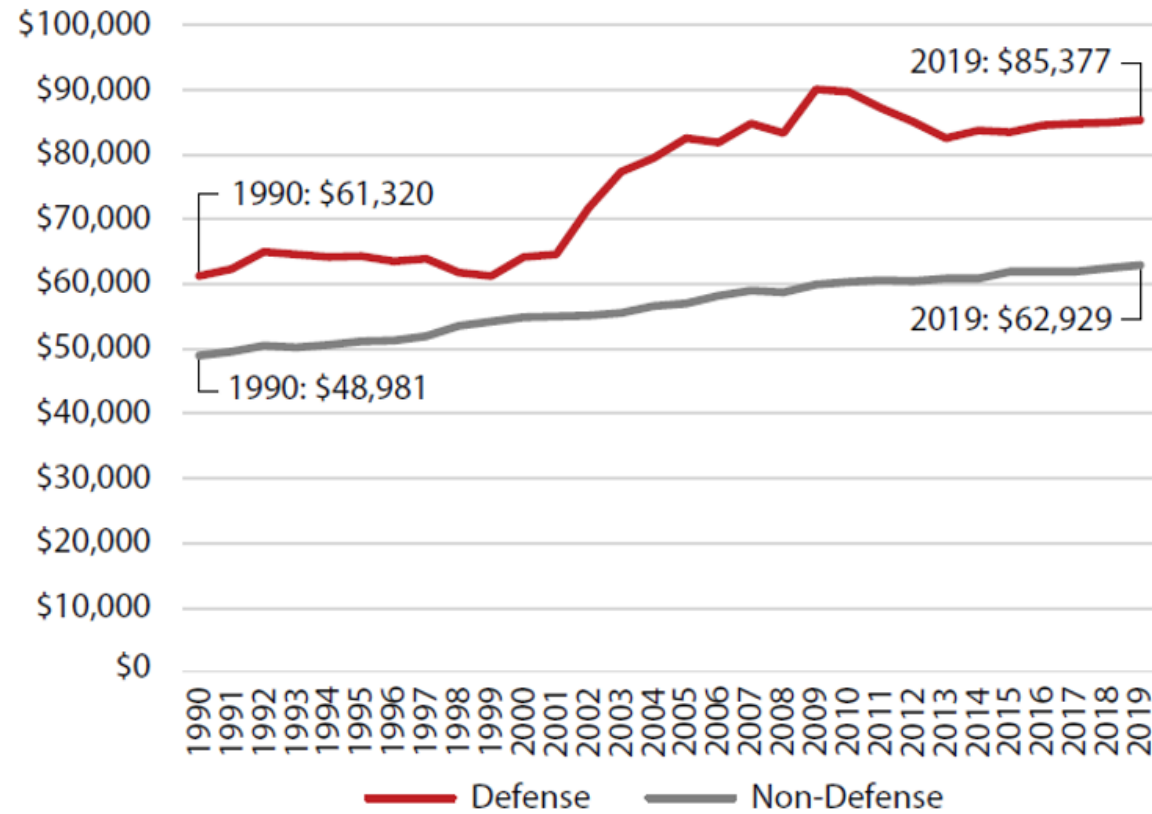
Industry Comparison, 2019

Defense Compared To Selected Utah Industries (Jobs in 2019)



Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model

Average Compensation of Utah Jobs, 1990–2019

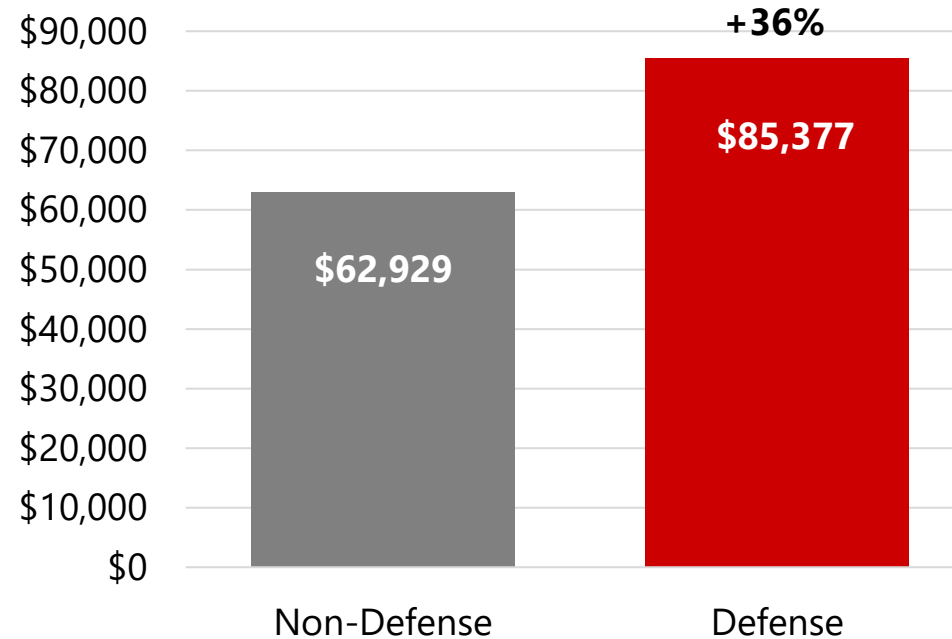


Source: Bureau of Economic Analysis, Bureau of Labor Statistics, REMI PI+ historical data

High-Quality Jobs

Employee compensation

Including benefits, Utah's defense industry pays **36% more** than other industries' average



Source: Bureau of Economic Analysis, Bureau of Labor Statistics

Kem C. Gardner Policy Institute

Thomas S. Monson Center | 411 E. South Temple Street
Salt Lake City, UT 84111 | 801-585-5618 | gardner.utah.edu

DAVID ECCLES SCHOOL OF BUSINESS
UNIVERSITY OF UTAH

